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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 001895

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TAGS: [PREL](#) [PARM](#) [TSPL](#) [KNNP](#) [ETTC](#) [ENRG](#) [TRGY](#) [IN](#)
SUBJECT: CONFIDENCE VOTE FOLLOWS LEFT WITHDRAWAL AS
AMBASSADOR SEEKS NSG MEMBER SUPPORT FOR NUCLEAR DEAL

REF: NEW DELHI 1847

Classified By: Ambassador David Mulford for Reasons 1.4 (B and D)

¶1. (C) SUMMARY. The Left Front stated on July 8 its intention to withdraw from the Congress Party-led United Progressive Alliance (UPA) government and to seek a confidence vote, tentatively scheduled for July 21. The Samajwadi Party reiterated its support for the UPA government and the nuclear initiative on July 8 amid unsubstantiated rumors of defections by some Muslim members. Senior Congress Party officials remained confident that they have sufficient votes to prevail in a confidence vote. Many commentators were left scratching their heads over the Left's strategy absent of a parliamentary majority that would vote against the government on the nuclear initiative.

¶2. (C) SUMMARY CONTINUED. Also on July 8, the Ambassador hosted a lunch discussion of next steps in the U.S.-India Civil Nuclear Cooperation Initiative with 29 local ambassadors or their representatives of Nuclear Suppliers Group (NSG) member states. The Ambassador asked the assembled representatives to encourage their political leaders to show the cooperation, flexibility, and support necessary to achieve early IAEA Board of Governors approval of India's draft safeguards agreement followed closely by a clean exemption in the Nuclear Suppliers Group (NSG). He concluded that India will soon take account of its relationship with every country involved in the nuclear initiative and that "there will come a time when you will be counted." Participants asked a number of informational questions and expressed some concerns about the timeline for completing the initiative and its impact on nonproliferation. They praised the outreach event and called for similar outreach events in Washington and in capitals, saying they would be useful -- and perhaps decisive -- in completing the nuclear initiative. END SUMMARY.

Left Withdraws Support, Confidence Vote July 21

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¶3. (C) The Left Front stated on July 8 its intention to withdraw support from the Congress Party-led United Progressive Alliance (UPA) government. Left party leaders announced they would submit letters of withdrawal to President Patil on July 9 and urge that she require the UPA government to prove its majority in the Lok Sabha. Embassy sources confirmed that a special session of parliament will be convened on July 21 to debate and vote on a confidence motion.

¶4. (C) The Left's decision comes after Prime Minister

Manmohan Singh announced on July 7 at the G8 Summit in Japan that his government would move forward with the nuclear initiative by seeking approval of the IAEA Board of Governors for India's safeguards agreement. "The Left parties had decided that if the government goes to the IAEA Board of Governors, they will withdraw support. In view of the Prime Minister's announcement, that time has come," said Communist Party (CPI-M) General Secretary Prakash Karat. Upon hearing the news in Japan, PM Singh told reporters, "I don't think it will affect the stability of our government." Congress spokesman Manish Tiwari in Delhi added that the UPA government "will prove that it has the numbers in the parliament."

SP Reiterates Support Despite Rumored Fissures

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¶15. (U) Lok Sabha members of the regional Samajwadi Party met on July 8 and reiterated their support for the UPA government and the nuclear initiative. "Every Samajwadi Party vote in Parliament will be cast in support of the Indo-U.S. nuclear deal and to save the UPA government," proclaimed SP leader Amar Singh. Since the SP's announcement of support for the UPA government on July 4, media had reported dissent from the party's Muslim members. Samajwadi President Mulayam Singh Yadav downplayed these reports to media, saying "The nuclear deal has been welcomed by Muslims across the state (of Uttar Pradesh)." According to press reports, at least ten Samajwadi members of parliament did not attend the meeting for various reasons including ill health, travel, suspension from parliament, jail confinement, and "personal reasons."

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¶16. (C) Though questions remain about the final Lok Sabha numbers (reftel), UPA leaders -- including Prime Minister Singh -- appeared confident they would prevail in a confidence vote. Official declared support for the UPA hovered around 269 votes, just below the 272 votes necessary for a majority. However, the ability of the Left Front and opposition Bharatiya Janata Party (BJP) to cobble together a majority willing to vote against the government over the nuclear initiative remained unlikely.

Ambassador Promotes N-Deal to 29 NSG Representatives

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¶17. (C) As the news about the Left's withdrawal broke, local ambassadors or their representatives of 29 Nuclear Suppliers Group (NSG) member states attended a lunch hosted by the Ambassador on July 8 to discuss next steps in the U.S.-India Civil Nuclear Cooperation Initiative. All 29 missions invited sent representatives. (Participants listed paragraph 16.) The Ambassador reviewed for the group the events since 2005 that led to the current state of the initiative, following a ten-month political impasse. The Ambassador said, "We are now at the crucial point. It is late in the day, I admit, but vitally important to India and all of us to complete this initiative." He relayed to the representatives that Prime Minister Singh had said the government was on board, Director General El Baradei appeared willing to call a Board of Governors meeting for July 28, and the draft India safeguards agreement was to be distributed in English around July 10. The Ambassador asked the assembled representatives to encourage their respective countries' political leaders to show the cooperation, flexibility, and support necessary for swift approval by the IAEA Board of Governors of India's draft safeguards agreement followed closely by a clean exemption in the Nuclear Suppliers Group (NSG). He concluded that each should bear in mind that a good relationship with India was an issue "for everyone in this room" and that "there will come a time when you will be counted."

Statements of Support and Concern from NSG Members

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¶8. (C) Leading off the question-and-answer period, French Ambassador Jerome Bonnafont said his country strongly backed the nuclear initiative. He said the solution to climate change requires nuclear energy, the Indian separation plan is "the best we could hope" for nonproliferation, and solutions to global problems require India's integration in the "global framework." Bonnafont said France was "very comfortable" with the 123 Agreement, understood the need to move fast, and stood ready to work with the U.S. to complete the initiative.

¶9. (C) Ambassador Ole Lonsmann Poulsen of Denmark inquired whether an NSG consensus in favor of an exemption for India would be sufficient to initiate trade in civil nuclear technology, or whether it would be dependent upon prior approval by the U.S. Congress. The Ambassador replied that the U.S. would have a position on this "gray area" prior to the discussion at the NSG, but as yet there has been no formal discussion of proposed NSG exemption language.

¶10. (C) Ambassador Hideaki Domichi of Japan inquired as to India's position on negotiating an Additional Protocol with the IAEA and its intention to adhere to the international standards of export controls. The Ambassador and PolCouns reviewed for the group the additional requirements of the Hyde Act that must be completed prior to a Presidential Determination, including substantial progress on negotiating and Additional Protocol with the IAEA, adherence to NSG and Missile Technology Control Regime (MTCR) export control standards, and participation in efforts to conclude a Fissile Materials Cut-off Treaty (FMCT).

¶11. (C) Ambassador Bob H. Hiensch of The Netherlands asked whether India would sign the Comprehensive Test Ban Treaty (CTBT) and how the issue of testing related to the initiative. The Ambassador explained that as a sovereign nation, India could test if it chose, but U.S. law would require a cessation of relations on nuclear matters. He also explained that the 123 Agreement contained a provision for a one-year discussion period, as well as the right of return of

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nuclear fuel and technology. PolCouns added that the U.S. was not currently pushing India to sign the CTBT and that the first step must be to include India in the global nonproliferation architecture.

¶12. (C) Ambassador Bernd Mutzelburg of Germany noted his country's "unenviable position" as NSG chair and said his government would "try its level best to work for consensus in the NSG, and do so in a manner that provides a constructive way forward." He said Chancellor Angela Merkel is of the view that taking India out of isolation would encourage it to cooperate on nonproliferation. However, he said a debate is needed on "raising the level" of the nonproliferation requirements in the 123 Agreement. He suggested that "some partners" are likely to request that India sign the CTBT and have concerns about further nuclear testing by India. He asked that the draft IAEA safeguards agreement and any proposed NSG exemption language be shared as soon as possible. He concluded that he was "optimistic of achieving something within the available time-frame," and that a "minimum target" should be to proceed far enough to "allow the U.S. Presidential Determination to be made."

¶13. (C) Ambassador Zhang Van of China said his country's position was "no secret," and that China has "no differences" with the nuclear initiative. Ambassador Zhang said that every country has the right to cooperation in civil nuclear energy provided it fulfills its international obligations, but the challenge is to balance this right with nonproliferation goals. He expressed interest in the Hyde Act requirement that India adhere to MTCR guidelines even if it is not a fully participating member of the regime. He expressed some concern with little progress made so far by India on negotiating an Additional Protocol with the IAEA,

and said he looked forward to clarification on the sequencing issue involving an NSG exemption and the subsequent decision by the U.S. Congress. He concluded by praising the briefing as "useful" and recommended that the U.S. do more such briefings for capitals.

¶14. (SBU) Other questions on the margins of the event dealt with the likelihood of a 'lame duck' session of the U.S. Congress, the durability of the Indian government's parliamentary majority, and the Left's strategy in calling a confidence vote for which it seemed to fall well short of the support necessary to prevail. The Ambassador and PolCouns also outlined arguments in favor of the nuclear initiative's positive impact on climate change and distributed a Council on Foreign Relations report on this subject ([http://cfr.org/publication/11123/india nuclear deal.html](http://cfr.org/publication/11123/india_nuclear_deal.html)).

Comment: Outreach Vital to Success of Nuclear Initiative
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¶15. (C) The tone of the event was overwhelmingly positive. Several guests praised the outreach event as an indispensable opportunity to help them, many of whom are relatively new to Delhi, understand the issues and lobby their capitals effectively. Many participants told us that similar outreach events in Washington and in capitals would be similarly useful -- and perhaps decisive -- in completing the nuclear initiative.

NSG Lunch Participants
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¶16. (SBU) The 28 attendees at the Ambassador's July 8 NSG lunch were as follows: Ambassador Jerome Bonnafont, France; Ambassador Marco Antonio Diniz Brandao, Brazil; Ambassador Jean M. Deboutte, Belgium; Ambassador Hideaki Domichi, Japan; Ambassador Dominique Dreyer, Switzerland; Ambassador Bob H. Hiensch, The Netherlands; Ambassador Hynek Kmonicek, Czech Republic; Ambassador Kairat Umarov, Kazakhstan; Ambassador Zhang Van, China; Ambassador Bernd Mutzelburg, Germany; Ambassador Ann Ollestad, Norway; Ambassador Ferdinand Maultaschl, Austria; Ambassador Ole Lonsmann Poulsen, Denmark; High Commissioner John McCarthy, Australia; Mr. David McKinnon, Acting High Commissioner, Canada; Mr. John Subritzky, Acting High Commissioner, New Zealand; Ms. Marina Louise Minnie, Acting High Commissioner, South Africa; Mr. Ioannis Andreades, CDA, Greece; Mr. Paolo Trichilo, CDA, Italy; Ms. Liisa Valjento, CDA, Finland; Mr. Andrey Sorokin, CDA, Russia; Mr. Ryszard Sosinski, CDA, Poland; Ms. Katalin

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Rapp, CDA, Hungary; Mr. Justin Ryan, CDA, Ireland; Mr. Gonzalo Ortiz, CDA, Spain; Mr. Jeong-Kyu Lee, Minister Counselor, Republic of Korea; Ms. Gina Popat, Second Secretary Political, United Kingdom; Mr. Oscar Schlyter, Second Secretary Political, Sweden.

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